United Nations A/C.5/54/25

General Assembly

Distr.: General
21 October 1999

Original: English

Fifty-fourth session
Agenda item 121
Proposed programme budget for the biennium 2000-2001

Rental of United Nations premises by press and other entities

Note by the Secretary-General

Summary

In its first report to the General Assembly on the proposed programme budget for the biennium 2000-2001, the Advisory Committee on Administrative and Budgetary Questions requested the Secretary-General to survey the terms of agreements under which the press and other entities occupied space in buildings owned and rented by the United Nations free of charge or at less than commercial rates and report to the General Assembly by December 1999. Following the review of the practices at main United Nations locations relating to the rental or free use of space, the Secretary-General is of the opinion that these practices are based on established policies and take into account the nature of both the tenant and local conditions. The Secretary-General therefore intends to continue to apply these practices.

99-30796 (E) 251099

I. Overview

1. Following the request by the Advisory Committee on Administrative and Budgetary Questions made in its first report on the proposed programme budget for the biennium 2000-2001[1] the Secretariat has undertaken a review of the current practice of renting of United Nations premises to outside entities in all established headquarters locations (New York, Geneva, Vienna and Nairobi) and headquarters of the regional commissions. The present note summarizes the existing practices and recommends their continued application.

2. The review indicates that the entities renting space in the United Nations premises may be grouped into four broad categories: (a) organizations of the United Nations System, various entities affiliated with the United Nations, as well as other international organizations; (b) various commercial entities providing specific support services to the United Nations at the location to ensure smooth and uninterrupted United Nations operations; (c) press and other media entities collaborating with the United Nations in highlighting and disseminating information on United Nations activities to the general public; and (d) United Nations staff-related and staff-affiliated bodies and entities. Table 1 below provides information on the outside entities currently occupying space in all main United Nations locations, grouped by the above-mentioned four categories.

Table 1

Location	*United Nations system and other organizations and affiliates*	*Commercial entities providing support services*	*Press and other media entities*	*Staff-related and staff-affiliated bodies and entities*
Headquarters	Yes	Yes	Yes	Yes
United Nations Office at Geneva	Yes	Yes	Yes	Yes
United Nations Office at Vienna	Yes	Yes	Yes	Yes
United Nations Office at Nairobi	Yes	Yes	No	Yes
Economic Commission for Africa	Yes	Yes	Yes	Yes
Economic Commission for Latin America and the Caribbean	No	Yes	No	Yes
Economic and Social Commission for Asia and the Pacific	Yes	Yes	No	Yes
Economic and Social Commission for Western Asia	Yes	No	Yes	Yes

3. It should be noted that, under the terms of headquarters agreements with the Governments of Austria and Lebanon, the United Nations may not charge rent for the space provided for other tenants on its premises. Any rental income that would be generated in Vienna and Beirut would devolve to the host Government. Therefore, the UNOV and the Economic and Social Commission for Western Asia have been excluded from further review.

II. Current United Nations rental practice

4. A review of the present United Nations practice of charging rent to outside entities occupying space on United Nations premises indicated that, while rents are generally based on local commercial rates, the rates vary by group of tenants and are affected by specific factors and conditions prevailing at each duty station. The situation is summarized by type of rate in table 2.

Table 2

Location	*Application of local commercial rates*	*Application of rates which include a share of maintenance costs of premises or rates built into contracts*	*Application of concessional or reduced rates*	*Occupation of space free of rent*
Headquarters	Yes	Yes	Yes	Yes
United Nations Office at Geneva	Yes	Yes	Yes	Yes
United Nations Office at Nairobi	Yes	No	Yes	Yes
ECA	No	Yes	No	Yes
ECLAC	No	No	Yes	Yes
ESCAP	No	Yes	No	Yes

5. The United Nations sets rents according to the type of tenants housed; the approach depends on the nature of the relationship between the United Nations and the tenant, and on the level of the tenant's contribution to the work of the Organization. Thus, several different rates may apply at a particular United Nations location.

6. Press and other media entities, as well as staff-related and staff-affiliated bodies and entities, are exempt from paying rent for the space they occupy. Other tenants are charged rent at the level of the local commercial rate, or at a concessional/reduced rate based on the local commercial rate, or at a specific rate governed by the terms of a contract with the entity. Findings of the review, by category of tenants, are detailed below.

Organizations of the United Nations system, entities affiliated with the United Nations and other international organizations

Table 3

Location	*Application of local commercial rates*	*Application of rates which include a share of maintenance costs of premises or rates built into contracts*	*Application of concessional or reduced rates*	*Occupation of space free of rent*
Headquarters	Yes	No	Yes	Yes
UNOG	Yes	No	No	Yes
UNON	Yes	No	Yes	No
ECA	No	Yes	No	No
ECLAC	N/A	N/A	N/A	N/A
ESCAP	No	Yes	No	No

7. The organizations in this group (Headquarters, the United Nations Office at Geneva, the United Nations Office at Nairobi, the Economic Commission for Africa (ECA), the Economic and Social Commission for Asia and the Pacific (ESCAP)) are normally charged a rent rate based on the local commercial rate which, in some cases is increased to include a share of maintenance costs. At Headquarters, an adjustment to standard commercial rates is made with respect to space in an inferior location without access to elevator service on the same floor. In Nairobi, the United Nations Environment Programme and the United Nations Centre for Human Settlements (Habitat) are charged for the space occupied at the United Nations premises at Gigiri on the basis of a local commercial rate, minus a percentage equivalent to the share of regular budgetary resources of each programme. Some organizations affiliated with the United Nations that occupy space on United Nations premises at Headquarters and in Geneva have traditionally been exempt from paying rent. At Headquarters, they include entities that maintain liaison with and provide support to non-governmental organizations, and in Geneva, they include the Joint Inspection Unit, the United Nations Institute for Disarmament Research, the United Nations Research Institute for Social Development and the secretariats of subsidiary bodies of the Administrative Committee on Coordination (the Consultative Committee on Administrative Questions, the Consultative Committee on Programme and Operational Questions and the Information Systems Coordination Committee). No organizations of this group occupy space on the premises of the Economic Commission for Latin America and the Caribbean (ECLAC) in Santiago.

Commercial entities providing support services to the Organization

Table 4

Location	*Application of local commercial rates*	*Application of rates which include a share of maintenance costs of premises or rates built into contracts*	*Application of concessional or reduced rates*	*Occupation of space free of rent*
Headquarters	No	Yes	No	Yes
UNOG	Yes	Yes	No	No
UNON	Yes	No	No	No
ECA	No	Yes	No	No
ECLAC	No	No	Yes	No
ESCAP	No	Yes	No	No

8. The Organization utilizes the services of various commercial entities and contractors providing support to its operations (banks, travel agencies, postal services, catering, electrical and utility contractors and other similar entities). The practice followed in charging rent to those tenants varies. With respect to those tenants having service contracts with the United Nations and occupying space on United Nations premises, the rate is, as a rule, determined by the terms of the contract. On that basis, the catering, electrical and utility contractors at Headquarters are provided with free office space accommodation, owing either to the terms of the contract or the inferior location of the space. With respect to banks, travel agencies and other servicing entities a local commercial rate is applied at Headquarters and at the United Nations Office at Geneva. At ECA and ECLAC, the commercial entities are charged rent based on a local commercial rate, plus their share of maintenance costs. ECLAC applies a reduced rate for entities belonging to this group when charging rent for office space, in recognition of their support of the Organization.

Staff-related and staff-affiliated bodies and entities

9. Staff-related and staff-affiliated bodies and entities are exempt from rental charges at all locations. These include staff unions, staff associations, such as the World Federation of United Nations Associations, the World Federation of Former United Nations Interns and Fellows, the Association of Former International Civil Servants and staff-related servicing entities such as a child-care centre, recreation clubs, after school programmes and the Women's Guild. Although the United Nations Federal Credit Union at Headquarters is a staff-related entity, it is charged rent at 50 per cent of commercial rates in recognition of its staff-servicing/business nature. At the United Nations Office at Geneva, the staff-related associations and the International School pay a nominal rental fee. It should be noted with respect to this group of tenants that some of the entities providing support to staff, such as a child-care centre and recreation clubs, also provide the same benefits to members of the Member States permanent missions.

Press and other media entities

10. No press or other media entities occupy space on the United Nations premises at the United Nations Office at Nairobi, ECLAC and ESCAP. At Headquarters and at ECA, such entities occupy space free of charge. In Geneva, they are charged at a reduced rate, which allows them to participate in defraying the costs of the maintenance of the premises they occupy. That approach in Geneva also takes into account the fact that the press agencies in the Palais des Nations cover the activities of both the United Nations and the agencies of the United Nations system based in Geneva.

11. It should be noted that the entities of this group have been provided with accommodation at Headquarters free of charge since the inception of the United Nations. The General Assembly, by its resolution 3535 (XXX) of 17 December 1975 on United Nations public information policies and activities, recognized the contribution of the media in promoting the activities of the United Nations and in mobilizing public support for the Organization. Following that policy, in his report to the General Assembly at its thirty-first session on space accommodation at United Nations Headquarters (A/C.5/31/17, para. 26), the Secretary-General, in commenting on a Joint Inspection Unit report on the office accommodation in the United Nations system (A/9854) stated that efforts should be made to facilitate news coverage of the United Nations at all levels and by all facets of the media. The Secretary-General further proposed in that report that the existing arrangements of providing space accommodation to news organizations free of charge should continue (A/C.5/31/17, para. 49). In its related report, the Advisory Committee on Administrative and Budgetary Questions stated its general agreement with the conclusions and recommendations of the Secretary-General.[2] By its decision 31/425 adopted at its 107th plenary meeting on 22 December 1976, the General Assembly concurred with the comments and observations of the Advisory Committee. Since then, the Secretariat has continued its long-term policy of providing press and other media entities with free office space accommodation.

III. Previous reviews of rental practices

12. The Group of High-level Intergovernmental Experts to Review the Efficiency of the Administrative and Financial Functioning of the United Nations (Group of 18), in its report to the General Assembly at its forty-first session, *inter alia*, recommended that Member States and other users occupying office space on United Nations premises should pay rent based on current commercial rates (recommendation 36). It should be noted that recommendation 36 did not specify individual entities or groups of entities occupying space on United Nations premises, but rather provided for a general policy recommendation. By its resolution 41/213 of 19 December 1986, the General Assembly mandated the Secretary-General to implement the recommendations contained in the report of the Group of 18.

13. A comprehensive study of outside entities occupying space on United Nations premises conducted in response to recommendation 36 revealed that United Nations agencies constituted the largest single group of tenants. In accordance with the recommendation, those agencies and other outside bodies were requested to start paying rent based on commercial rates. The rates to be charged in New York were based on the highest rates paid by the United Nations for rented space, that is, for the building of the United Nations Development Corporation at 2 United Nations Plaza. Similar guidelines were applied to other duty stations. The new policy was implemented effective 1 January 1989 for Member States occupying space in United Nations buildings and 1 January 1990 for specialized agencies

and other organizations, in order to permit them to make the necessary budgetary provisions through their own governing bodies. The implementation of those measures was reported to the General Assembly at its forty-fourth session in the final report of the Secretary-General on the implementation of resolution 41/213 (A/44/222, paras. 107-109) and at its forty-fifth session in the analytical report of the Secretary-General on the implementation of resolution 41/213 (A/45/226, paras. 153-154). With respect to press and media entities, the implementation of recommendation 36 has proceeded, taking into account General Assembly decision 31/425. As a result, the Secretariat has continued providing space accommodation to the media organizations free of charge.

IV. Conclusions and recommendations

14. The review of the United Nations practice of providing office space accommodation on United Nations premises for outside entities has confirmed that the practice is based on the established policy of charging rent, while taking into account the nature of the tenants as well as local conditions. The Secretary-General intends to continue to follow the current practices as described in the present report.

Notes

[1] *Official Records of the General Assembly, Fifty-fourth Session, Supplement No. 7* (A/54/7), chap. II, para. VIII.67.

[2] Ibid., *Thirty-first Session, Supplement No. 8* (A/31/8/Add.4), para. 7.

[3] Ibid., *Forty-first Session, Supplement No. 49* (A/41/49).